

**STATE OF CALIFORNIA
DEPARTMENT OF INDUSTRIAL RELATIONS
Division of Workers' Compensation**

ADDENDUM TO FINAL STATEMENT OF REASONS

Subject Matter of Proposed Amendments to Regulations: Workers' Compensation – Medical and Medical-Legal Initial Lien Filing Fees

UPDATE OF INITIAL STATEMENT OF REASONS

Pursuant to Government Code Section 11346.9(b), the Court Administrator of the Division of Workers' Compensation incorporates, by this reference, the Final Statement of Reasons dated April 29, 2004.

On April 30, 2004, the Administrative Director of the Division of Workers' Compensation submitted to the Office of Administrative Law ("OAL") the Certificate of Compliance completing the emergency adoption of section 10250, Title 8, California Code of Regulations, which became effective on January 1, 2004 (OAL File Nos. 03-1230-04E and 04-0430-04C.)

On June 15, 2004, OAL disapproved the Certificate of Compliance filing and repealed Section 10250. On June 22, 2004, OAL issued its Decision of Disapproval of Regulatory Action.

On June __, 2004, Governor Arnold Schwarzenegger appointed Barbara Steinhardt-Carter as Acting Court Administrator (Administrator).

The Administrator has reviewed the rulemaking process and record for the adoption of Section 10250, including all comments, supporting material, text modifications, and the Administrative Director's determinations and conclusions.

Following the complete review, the Administrator has adopted section 10250 and its supporting record.

No other changes have been made to the documents in the record submitted to OAL on April 30, 2004, which is incorporated by reference.

REQUEST FOR EARLY EFFECTIVE DATE PURSUANT TO GOVERNMENT CODE SECTION 11343.4

The Administrator will be requesting that the regulations become effective upon filing with the Secretary of State. There is good cause for the lien filing fee regulation to become effective immediately upon filing with the Secretary of State because the regulation implements Labor Code Section 4903.05 which is an important provision of SB 228. The workers' compensation reform provisions in SB 228, effective January 1, 2004, contain essential measures intended to provide system savings which are important for the entire California economy. A 30-day delay in implementation is not warranted as it will impede the legislative intent to achieve savings through institution of lien filing fees.

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